

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MARION COUNTY WATER)	
DISTRICT, MARION, NELSON AND WASHINGTON)	
COUNTIES, KENTUCKY, (1) FOR A CERTIFICATE)	
OF PUBLIC CONVENIENCE AND NECESSITY)	CASE NO.
AUTHORIZING CONSTRUCTION OF MAJOR)	95-558
IMPROVEMENTS AND ADDITIONS TO ITS EXISTING)	
MUNICIPAL WATER DISTRIBUTION SYSTEM, AND)	
(2) SEEKING APPROVAL OF THE ISSUANCE OF)	
CERTAIN SECURITIES)	

O R D E R

On December 13, 1995, Marion County Water District ("Marion Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$552,000 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 67 additional customers. Project funding includes a \$131,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Utilities Service ("RUS"), formerly known as the Rural Economic and Community Development Service, a \$394,800 grant from RUS, and \$26,200 from applicants for service in the proposed project area.

Marion Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within

30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on December 13, 1995, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Marion Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Marion Water's proposed plan of financing with RUS is accepted.

3. Marion Water is authorized to issue bonds not to exceed \$131,000 to be held or insured by RUS.

4. Marion Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. Marion Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Marion Water shall take immediate action to bring the system in compliance with Commission regulations.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 11th day of January, 1996.

PUBLIC SERVICE COMMISSION

Jinda K. Breathitt
Chairman

Edum J. Holmes
Vice Chairman

Robert M. Davis
Commissioner

ATTEST:

Don Mills
Executive Director